

# Supplementary Papers for Council

Date: Tuesday, 24 March 2026



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17. **Audit and Governance Committee 19 March 2026 - Minute No. 119 - Two Riversmeet Studios**

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**RECOMMENDED to Council the approval of authorised borrowing of the Council to accommodate the £1.8m financing for the extension at Two Riversmeet Leisure Centre proposal.**

[PLEASE NOTE: Should Council wish to discuss the detail of the confidential appendix at Appendices 2, 3, 5, 8 and 9 the meeting will be required to move into Confidential (Exempt) Session].

Published: 20 March 2026

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**AUDIT AND GOVERNANCE COMMITTEE**



Report subject	<b>Two Riversmeet Studios</b>
Meeting date	19 March 2026
Status	Public report with exempt appendices
Executive summary	The report provides additional information requested from Audit & Governance Committee regarding the financial considerations for capital borrowing to fund a two-storey extension to Two Riversmeet Leisure Centre (2RM) to address the identified need for dedicated studio space in Christchurch. The investment aims to enhance the centres health, fitness and cultural offer, increase membership and income whilst supporting community wellbeing and aligning with the Council’s corporate strategy.
Recommendations	<p><b>It is RECOMMENDED that Audit and Governance Committee recommend to Council:</b></p> <p><b>a) Approval of authorised borrowing of the Council to accommodate the £1.8m financing for the extension at Two Riversmeet Leisure Centre proposal.</b></p>
Reason for recommendations	Enhancing 2RM Leisure Centre with dedicated studio space will enable the centre under BCP Leisure to grow and strengthen its financial position by offering a refreshed, modern facility for Christchurch. The project aligns with the corporate strategy ensuring people can be active and healthy while expanding access to high-quality cultural, health and wellbeing services for the local community.

Portfolio Holder(s):	Portfolio Holder for Destination, Leisure & Commercial Operations
Corporate Director	Glynn Barton – Chief Operations Officer
Report Authors	Amanda Barrie – Director of Commercial Operations Helen Wildman – Head of Leisure & Events
Wards	Christchurch Town;
Classification	For Decision

## Background

1. A paper was taken to Cabinet on 14 January 2026 recommending Cabinet to recommend to Council approving the building of a two-storey facility extension at Two Riversmeet Leisure Centre (2RM) through prudential borrowing creating two brand new multi-use studios costing £1.8m, subject to planning permission.
2. The Cabinet paper was approved and taken to the Audit and Governance meeting on 15 January, where the committee asked for additional information to be provided before making a decision on the borrowing.
3. This paper sets out the additional information requested by the Audit and Governance Committee.

## Current Leisure Centre provision

4. Two Riversmeet Leisure Centre (2RM) is one of ten BCP Council owned leisure centres. Five of these are currently being operated in house as BCP Leisure.
5. This gap limits its ability to meet growing demand for group exercise, health and wellbeing, martial arts and cultural services.
6. A timeline is in place starting from 2027 to undertake a review of the management of leisure centres, looking at the position of leisure across BCP Council and to recommend the future management model.
7. Therefore, alternative management models have not been considered in the options appraisal for the studios.
8. In the meantime, BCP Council will need to continue to maintain the facilities ahead of this work to ensure they remain in line with the market and support the Medium Term Financial Plan (MTFP).
9. The 2RM Studio scheme draws directly on the learning from BCP Council's recent highly successful leisure investment at Kings Park Leisure and learning Centre in Boscombe, demonstrating the Council's ability to develop and operate facilities that are both financially robust and strongly aligned to resident demand, ensuring this asset performs effectively for the Council's wider leisure portfolio.
10. A market competitor analysis was originally completed to assess the need in addition to what had been identified through the Built Facilities Needs

Assessment. An updated analysis of the current provision can be found in appendix 9 (restricted).

11. Using the Sports England National Moving Communities data platform, engagement in group workout activities at Two Riversmeet sits at 20.86%, almost 10% more participants than the national benchmark of 10.90%.

### **Options Appraisal**

12. Two options were presented to Cabinet, do nothing or take forward the business case with £1.8m capital borrowing.
13. The original business case for the borrowing can be found in appendix 2, however it should be noted that borrowing costs have been updated as per appendix 1 presented at Cabinet.
14. Footfall figure quoted in original business case are based on less comprehensive modelling that included spectators, parents, events, casual café traffic etc. Core participation footfall has since been more refined and is measurable through the Gladstone Leisure system. Refined footfall is detailed in point 34 below.
15. In addition to the two options provided in the 14 January cabinet paper, three additional options were considered in the early feasibility work which are identified as options 3, 4 and 5 in this report.
16. Consideration in the options was not given to building on a new site away from the leisure centre due to the operational costs a standalone centre would bring and the loss of the unique selling point of a community leisure centre.

### **Option 1 – Do nothing**

17. As per Cabinet report 14 January 2026

### **Option 2 - Take forward business case with £1.8m capital borrowing**

18. As per cabinet report 14 January 2026

### **Option 3 – Repurposing of the Squash Court**

19. Repurposing the existing squash courts was explored as an alternative to building new studios in the early feasibility work. Surveys identified multiple structural and design constraints, including insufficient space and height for M&E requirements, lack of natural light and ventilation, the need to raise the roof, and the presence of a central retaining wall that would require intrusive pillars, reducing usable space.
20. With the major investment into the repurposing the converted space would only support 15–20 participants which was below the required capacity of 40 limiting the financial opportunities for income and unlikely to be able to deal with the class demand
21. Financially the conversion was estimated to cost around £1.1m for a single studio and would simultaneously reduce annual squash related income, including league and tournament revenue.

22. Given the considerable risks, reduced service offer, capacity limitations, and unfavourable cost–benefit position, officers concluded that re-provision is not a viable option.

#### **Option 4 – Creation of a mezzanine level to the Sports Hall**

23. Initial feasibility work showed extensive structural modifications would be required, including the construction of a new internal steel structure to form a first-floor studio.
24. Existing foundations were anticipated to be shallow, necessitating new piled foundations within the hall to support the steel structure with concerns identified regarding the stability of the existing glulam beams.
25. To provide access, additional alterations would be required on the first floor level and re configuration would be required for storage and plant impacting on the final size of the studio space delivered.
26. The sports hall would have been out of use for the full duration of the works impacting over £100k of income during the construction.
27. When assessing the income generation, the loss of revenue from one court would need to be factored into the calculation starting in a negative position

#### **Option 5 – Creation of a single-storey extension adjacent to swimming pool**

28. This option was quickly discounted, as it did not provide sufficient space for the studios, plant rooms, and storage requirements when calculations were undertaken.

#### **Competitor analysis**

29. A Strategic Leisure review of 2RM was independently undertaken by Strategic Leisure Limited and identified the need for a purpose-built studio facility alongside the built needs facilities assessment.
30. The report assessed 'Improved studio(s) are a necessity and will need to be investigated further to remain competitive and offer a complimentary portfolio'
31. A recently updated marketing report for BCP Leisure highlighted 'Without investment in the physical offer, the effectiveness of marketing interventions will remain capped, limiting the ability to drive sustained growth or materially improve the bottom line of BCP Leisure.'
32. Whilst there continues to be a trend of pop up gyms, they do not offer dedicated studio space or facility hire with a complete offering of facilities and dedicated classes reaching different cultures and demographics with the opportunity to grow community inclusion.
33. An up to date review of current competitors and provision can be found in appendix 9 (restricted).
34. Many of the competitors are for members only with a focus on gym memberships rather than dedicated studio space. In contrast, 2RM provides an accessible, community focused public leisure offer, designed to support broader wellbeing, social inclusion, and local engagement.

35. With an estimated 48,000 residents living in Christchurch, the scale of local demand provides a strong foundation for 2RM's offer independent of competitor behaviour. The Christchurch fitness market is varied, yet clear competitors emerge for the 2RM facility. While budget gyms and specialist providers meet specific segments, 2RM can clearly differentiate through quality programming, enhanced facilities, and a community focused leisure centre offer.
36. Evidence shows consistent unmet demand for peak time group exercise. This highlights a significant opportunity for 2RM to attract users seeking greater reliability and availability.
37. Crucially, none of these competitors provide a cultural offer for dance, martial arts, or similar community based activity, leaving a notable gap in the market.

### **Opportunity costs**

38. The section compares three options, constructing a new two-studio extension, repurposing existing squash courts into a single studio and taking no action.
39. The creation of two new purpose built studios will increase the membership capacity of 2RM giving the opportunity to grow membership levels to a higher level by approximately 16% (approx. 40,000 visits) due to an increased footprint of the centre.
40. Repurposing the squash courts would fit 15–20 participants which would not give the opportunity to grow the membership and class size likely, resulting in duplication of classes and staffing costs and membership value
41. Repurposing the squash courts, while lower cost initially, results in substantial losses in revenue potential, service quality, loss of current income and futureproofing with a risk of future unknown costs from adapting the current building.
42. Doing nothing represents the highest long-term risk, preventing growth and allowing facilities to fall further behind market expectations with Christchurch being the only town with no studios in their public leisure centre.
43. The recommended option of a new build delivers the highest long-term financial return, operational capacity, and strategic benefit to meet both current and future demand.
44. The additional space from two new studios allows for the introduction of new leisure services to benefit the wider community and the introduction of cultural services for residents such as dance and drama through facility hire.
45. Investment in the leisure centre will secure the strongest income contribution to the MTFP, independent of the future management model.
46. A wider piece of work is currently underway with a Leisure Centre transformation across all of the five internally run leisure sites to be presented in a future to Cabinet later in 2026.
47. This paper will look at the maintenance investment with commercial opportunity to offset this along with efficiencies in energy from the investment.
48. 2RM is the only Council owned leisure centre in Christchurch and the only centre without purpose built studio provision highlighting the need for the studio

investment to maintain and grow membership allowing for a strong position against competitors.

49. The studios is a new build item whereby the timeline is built around nesting season and planning requirements.

## **Summary of financial implications**

### Membership analysis

50. Appendix 2 details the growth in membership numbers comparing actuals with investment and no studios, investment with studios and a no investment scenario.
51. Membership with the studio investment will have the ability to grow beyond the projected income due to an increased footprint of the centre with the studio build. This membership line has a sharp increase from the marketing of the investment moving to a maintain position and a small reduction after year 14. A sinking fund would mitigate any further levelling off and potential continue the maintain position.
52. The graph details investment within the centre without any new studios which will begin with growth and then level in line with maximum centre capacity without additional infrastructure.
53. The final line shows a levelling off without growth leading to an eventual decline in membership if no investment is made and no studios are built as the site which will mean 2RM no longer remain competitive within the market.
54. The UK Health & Fitness market report 2025 looks at engaging the next generation of fitness consumers. Health, fitness and wellbeing is seen as a non-negotiable for younger generations. Motivations for fitness are evolving beyond physical health to encompass social connection and mental well-being, particularly among Gen Z. Operators can capitalise on this market opportunity by creating engaging social spaces that go beyond fitness, building a sense of community and offering experiences that align with consumer priorities
55. Membership income relates to half of the projected additional income. The rest is through facility hire, pay as you go, party hire and secondary spend.
56. Sport England's 2025 economic analysis confirms that every £1 invested in physical activity generates £4.20 in economic and social value, demonstrating strong financial return for public-sector investment in activity spaces such as fitness studios.
57. The business case has been developed based on what we are aware of in the market at the current time taking into account population and demographic both now and in the future.
58. Assumptions are based on national leisure trends, current membership levels, competitor analysis, customer insights at 2RM and professional experience and judgement.

### Financial sensitivity analysis

59. The capital team has supported the cash flow calculations and sensitivity analysis.

60. Appendix 1 details the capital investment and income generation based on 5.88% PWLB interest on borrowing as attached to the Cabinet report. This was based on full year equivalent income and expenditure assuming optimum membership take up, with a sinking fund starting from the beginning.
61. Further sensitivity analysis has been carried out, and this is summarised in Appendix 3 (restricted).
62. The gross cash flow model is not expressed in present value, however the Net Present Value has been calculated for each scenario discounted at 2%. The net present value calculation does not change the affordability picture for this scheme shown through the sensitivity analysis.
63. The estimated build costs of £1.8m including a contingency of 20% has been priced through the internal works team who would undertake the build giving comfort in the estimated figures provided. Three sensitivity analysis scenarios have been carried out assuming the project is delivered on budget, with 5% overspend and 5% underspend variability.
64. Appendix 8 gives a further breakdown of the most up to date build costs.
65. The original project costs included a 10% contingency however as seen in the most up to date costings with refined quotes there is currently a 20% contingency within the costs.
66. This contingency mitigates potential increases in the cost of supplies.
67. Capital funding will not be drawn upon until planning is complete. Should additional costs for the build be identified through the planning process, this would be reported at the milestone meeting ahead of any spade in the ground for a further assessment of risk.
68. A sinking fund of £10,000 per annum has now been profiled from 2028/29 (year 3), this is sufficient to provide an additional comfort of £227k across the 20 year repayment period to ensure major repairs are sustainable for the studios to remain of a high quality to retain the increased membership levels, and it provides a modest additional financial leeway at the beginning of the project.
69. Income generation sensitivity analysis has been carried out for 6 different scenarios. Three scenarios using the BCP low risk interest rate of 5.5% for borrowing and the same three scenarios using the PWLB prevailing interest rate of 5.88%.
70. The three scenarios for each interest rates variance are based on optimum membership increase of 260 (18%), minimum membership increase required to break even of 217 (15%) and a low membership increase of 144 (10%).
71. Income in 2026/27 has been assumed at 60% due to part year opening.
72. Cost of borrowing begins one year after expenditure is incurred which is in 2027/28 for this project and is calculated on a maturity basis (fixed amount over the life of the project).
73. Inflation for increased income and expenditure is assumed at 2% throughout the 20 years.

74. Membership increase is assumed immediately tailoring down gradually from year 12 to reach 90% in year 16 of the project.
75. The financial analysis shows that the project can sustain the higher prevailing interest rate of 5.88% and a budget overspend of 5% only with an optimum membership increase of 18% generating a surplus of £880,000 over the 20 years
76. A membership increase of 15% would break even if expenditure is on budget (surplus between £62,000 and £197,000), if expenditure is 5% underspent (surplus between £255,000 and £384,000), or if 5% overspent at the lower interest rate of 5.5% with a net surplus over the 20 year period £10,000.
77. A membership increase of 10% is not viable in any scenario, the additional income would be less than the cost of borrowing with a net deficit between £1.3 million and £1.8 million.
78. The best case scenario of lower interest rates, budget underspend of 5% and optimum increase in membership could generate a £1.4 million surplus over the 20 year period.
79. The worst case scenario of higher interest rates, budget overspend of 5% and lower membership increase of 10% could result in a £1.8 million deficit over the 20 year period.
80. Finance use published CPI forecasts to provide consistency across the capital projects appraisals. The forecasts published at the Autumn budget were estimating a degree of stability in the level of CPI between 2026/27 and 2029/30, the same forecast has been extrapolated for the remaining future years.
81. General repair and maintenance are manageable within the 2RM current budget as indicated in the cash flow model. The provision of a sinking fund for major repairs in a capital appraisal is good practice. The 2% inflation applied is to maintain the present value of £10,000.
82. Services don't consistently set aside sinking funds for major repairs in BCP Council, often when major repairs are required new business cases are put forward requesting new funding. The £10,000 is based on affordability, generating a £227,000 fund by year 20 will provide a considerable amount available towards major repairs reducing or avoiding further budget pressures in future years.

#### Prudential borrowing

83. As part of the prudential borrowing code, borrowing is not incurred specifically to individual projects and is not incurred in advance. At the end of the financial year capital expenditure is financed in the financial statements using the funding streams for the individual projects in sequence external funding used first, borrowing used last. There is often slippage with capital schemes, borrowing is charged based on the total expenditure funded from borrowing at the end of the financial year, therefore it is passed to the service during the following financial year.

84. Borrowing is managed through the treasury management function. Borrowing is incurred in bulk to sustain the bank balance therefore there may be some temporary internal borrowing dependant of cash flow.
85. The £133,416 reflects an estimate of part year of activity if the project is delivered timely as expected. The works are expected to be incurred in the same financial year. Expenditure incurred during the same financial year will be managed within the treasury management function as described above and the cost of borrowing will be charged to the service in the following financial year.
86. Finance calculates the cost of borrowing on a maturity basis (equal annual profile of principal and interest) across the capital projects appraisals on a consistent basis. Borrowing repayment is also charged to the service on a maturity basis, therefore this is consistent with the impact on the service budget.

### **Summary of legal implications**

87. It remains necessary to comply with all relevant procurement requirements, including BCP Council's Financial Regulations and the Public Contracts Regulations 2015 and the Procurement Act 2023 (where applicable) for any other aspects of the works that are to be carried out by third parties under contract and purchase of equipment and/or materials.
88. In addition, it is necessary to comply with all requirements in respect of subsidy control, planning, Community Infrastructure Levy (CIL), any leases, property, Land Registry, land ownership, any contracts, funding conditions, funding applications, borrowing, capital borrowing, BCP Council's Constitution (including the Financial Regulations), requirements of full Council, where applicable.

### **Summary of human resources implications**

89. The staffing structure in terms of building management is already in place within the Leisure Centre and therefore will not require dedicated staff in addition to the duty management of the site
90. Staffing requirements for classes are on a timetable basis with a mixture of casual and contracted staff undertaking these.

### **Summary of sustainability impact**

91. The planning application will consider biodiversity and flooding with detailed risks assessments submitted as part of the application.
92. The proposed timeline takes into account environmental factors such as nesting season between March and August.
93. During construction phase best practice measures will be incorporated to sort and reuse materials generated by the demolition of the existing buildings/hardstanding and where practicable new materials will be sourced locally.
94. 2RM has a Building Management System (BMS) which continuously optimises the operation of the photovoltaic panels (PV), Air Handling Units (AHUs), Air Source Heat Pumps (ASHPs), and boilers to ensure they are running at peak efficiency. The proposed studio would integrate with the existing BMS

infrastructure, allowing it to be monitored, controlled, and optimised in exactly the same way as the current building system.

- 95. With the considered approach by the design team and client, the proposals will meet the requirements of sustainability, as required and in accordance with paragraph 39 of the council's Local List of Requirements for planning applications.

### Summary of public health implications

- 96. Taking forward the business case option will provide the opportunities for increased fitness and activity amongst residents and allow for development of class timetables to support a wide variety of classes for different abilities better delivery for community needs.
- 97. A wider choice and ability for specialist programmes will support the growth of the GP referral scheme and the transition of members from the referral into memberships.
- 98. A 2025 Moving Communities study showed that activity delivered in public leisure centres prevented over 28,000 costly health conditions in one year and saved the NHS £398 million. Activities such as yoga, low-impact aerobics, and group exercise classes, were highlighted as especially impactful for older adults and underserved groups

### Summary of equality implications

- 99. An EIA conversation has been undertaken and reviewed by the Equality team.
- 100. Additional timetabling will allow for greater consideration for the physical health, mental health, rehabilitation, early intervention, child and adult education, special educational needs, accessible needs, inclusivity and culture focused services.

### Summary of risk assessment

- 101. The overarching project risk assessment can be found in appendix 5.
- 102. The Cabinet paper from 14 January provides a summary of some of these risks.
- 103. The below table shows the governance structure to support the risk mitigation of the project.

### 2RM Studio Project Governance



104. The Director of Commercial Operations will be the Senior Responsible Officer (SRO) and will act as chair of the Project group.
105. Terms of reference with defined roles and responsibilities for officers on the project group will be drafted during the planning phase led by the SRO.
106. In line with other Council projects such as the insourcing of three leisure centres, there will be a live risk log for the project and the hierarchy of controls will be used as the principle for the management of these risks with elimination being the preferred approach.
107. A risk strategy will be applied to the log in terms of prevention, reduction, transferred, accepted or contingency.
108. Should the risk tolerance raise above moderate the SRO will be responsible for the management of the risk and any escalation.
109. All actions and decisions across the project will be logged and reported into the project group to ensure there is a clear auditable trail of the project.
110. There will be a number of milestones to report on throughout the project, an example of this would be the planning decision stage. A further milestone reporting will be undertaken pre-construction once the works team are ready to proceed.

## **Background papers**

Cabinet paper 14 January 2026 ([Public Pack](#))[Agenda Document for Cabinet, 14/01/2026 10:15](#)

## **Appendices**

- Appendix 1 – Financial projections
- Appendix 2 – Membership growth (restricted)
- Appendix 3 – Financial sensitivity analysis (restricted)
- Appendix 4 – Original business case
- Appendix 5 – Project risk assessment (restricted)
- Appendix 6 – Original Cabinet report
- Appendix 7 – Project Gantt Chart
- Appendix 8 – Build costs (restricted)
- Appendix 9 – Competitor Analysis (restricted)
- Appendix 10 – Outline benefits register

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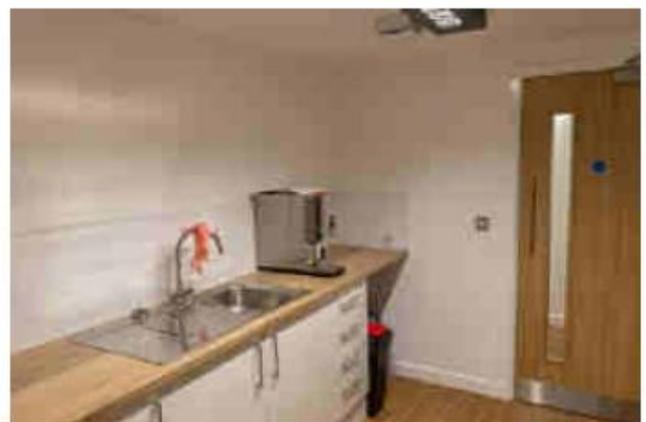
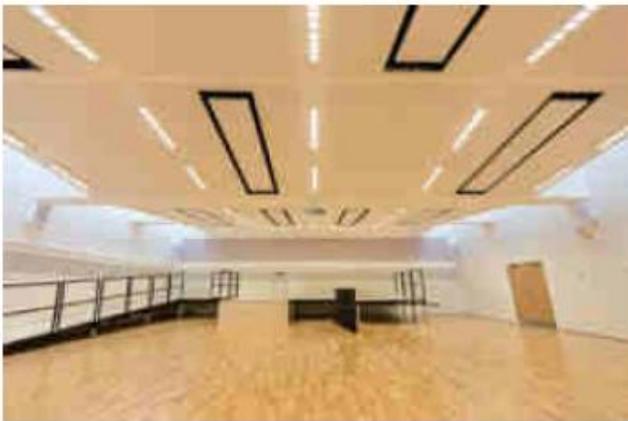
# Full Business Case

## Two Riversmeet Leisure Complex, Leisure Services.

<b>Project Name</b>	2RM Studio Development
<b>SRO</b>	Amanda Barrie, Director of Commercial Operations
<b>PPM Officer</b>	Linda Dunkley, Contract and Compliance Manager
<b>Lead Officers</b>	Simone Hudspith, Business Development Team Leader, 2RM Dan Stone, Leisure Partnership & Development Manager Helen Wildman – Head of Leisure & Events

### Project Overview

#### PROJECT IMAGES



To request £1.8m funding for a two-story facility extension at Two Riversmeet Leisure Centre (2RM) creating two brand new multi-use studios.

2RM is one of ten BCP Council owned leisure centres and the only one located in Christchurch. 2RM is also the only leisure centre that has no purpose-built studio facilities. 2RM is a multi-regional and national award-winning facility which is performing in the higher quartile against national competitors.

Due to having no purpose-built studio facilities the existing exercise class provision is restricted to using the sports hall and squash courts.

The recently completed 'Built Facilities Review' (copy attached), commissioned to identify needs, gaps and opportunities for sports provision across the BCP Council conurbation, identified 2RM as a key strategic leisure asset. Further, it advised that Christchurch required additional studio provision to meet the needs of residents.

The "Strategic Leisure Review of Two Riversmeet Complex" (copy attached), independently undertaken by Strategic Leisure Limited, identifies a need for a purpose-built studio facility. "The highest priority is to enhance the health and fitness offer. This is the main income generator and there is latent demand for improved facilities. This review confirms that this is a key 'weaknesses of the centre "Lack of dedicated studio space and specific facilities for children". (page 19, section 1.4.d).

**Studio Dimensions and Capacity:**

Studio 1: 150m2

Studio 2: 150m2

The capacity of each studio is dependent on activity but the average capacity for group exercise would be 30 – 40 participants per session.

**Proposed Location:**

2 Riversmeet Leisure Centre – Location Plan  
Proposed extension for 2 studios.



## Strategic Alignment

This project will provide, enable and support the community with a wide range of valuable services.

The services will prioritise physical health, mental health, rehabilitation, early intervention, child and adult education, special educational needs, accessible needs, inclusivity and culture focused services.

The investment will generate additional revenue therefore improving the net financial position of the service meeting the years 2,3 and 4 objectives set out in the Medium Term Financial Plan (MTFP).

The project aligns with the strategic vision and ambitions of the authority, most noticeably with the following delivery outputs:

- Our Place and Environment – Vibrant places where people and nature flourish, with a thriving economy in healthy, natural environment.

Our communities have pride in our streets, neighbourhoods and public spaces

- Our People and Communities – Everyone leads a fulfilled life, maximising opportunity for all.

High quality of life for all, where people can be active, healthy and independent  
Those who need support receive it when and where they need it  
Skills are continuously developed, and people can access lifelong learning

- We are an open, transparent and accountable Council, putting our people at the heart of our services.

Working closely with partners, removing barriers and empowering others  
Providing accessible and inclusive services, showing care in our approach  
Intervening as early as possible to improve outcomes  
Developing a passionate, proud, valued and diverse workforce  
Creating an environment for innovation, learning and leadership  
Using our resources sustainably to support our ambitions

## Assessments, Agreements & Protocols

Item	Completed
Equality Impact Assessment (EIA) – will be undertaken prior to submission to cabinet.	<input checked="" type="checkbox"/>
Decision Impact Assessment (DIA) – will be undertaken prior to submission to cabinet.	<input type="checkbox"/>
Data Protection Impact Assessment (DPIA) – N/A	<input type="checkbox"/>
Personal Information Sharing Agreement (PISA) – N/A	<input type="checkbox"/>
Internal Sharing Protocol (ISP) – N/A	<input type="checkbox"/>
Other	<input type="checkbox"/>

## Option 0 – Do Nothing

Description	Studio project not progressed.
In Scope	<ul style="list-style-type: none"> <li>• NA</li> </ul>
Out of Scope	<ul style="list-style-type: none"> <li>• NA</li> </ul>
Deliverables	<ul style="list-style-type: none"> <li>• NA</li> </ul>
Benefits	<ul style="list-style-type: none"> <li>• No additional financial borrowing undertaken</li> </ul>
Disbenefits	<ul style="list-style-type: none"> <li>• No opportunity to increase annual revenue and meet future MTFP requirements.</li> <li>• No opportunity to regain use of sports hall for wider community benefit.</li> <li>• Less accessible space and inability to cater for sessions such as culture focused arts/dance, weight management, mental health/addiction support and recovery, sensory, SEND, children's services-short breaks, adult skills and learning and LiveWell Dorset health clinics.</li> <li>• No opportunity to reduce the pressure on NHS services by enhancing the existing GP Referral service with additional provision of the cardiac rehabilitation, cancer recovery, chronic back pain, menopause, arthritis/diabetes management, COPD rehabilitation and depression/anxiety support classes.</li> </ul>

	<ul style="list-style-type: none"> <li>• No opportunity to increase footfall and decrease inactivity levels.</li> <li>• No opportunity to increase social value.</li> <li>• No opportunity to compete with local franchise gyms</li> </ul>
Risks / Issues	<ul style="list-style-type: none"> <li>• Serious risk of not meeting MTFP and achieving reduction of financial pressure on service and authority.</li> </ul>
Resources	<ul style="list-style-type: none"> <li>• Significant resource would be required to develop multiple strategies to match the generation of potential income as the studio build. This would include the creation of additional feasibility studies, financial business cases (finance) and authorisations from Head of Service, Service Director, accountancy and ICT. As with this study, any future proposals would also follow the same authorisation process as this case.</li> </ul>
Duration	<ul style="list-style-type: none"> <li>• Indefinitely until we reach the financial pressures under the MFTP.</li> </ul>
Summary Costs	<ul style="list-style-type: none"> <li>• Dependent on acceptance / rejections of future proposals.</li> </ul>

### Option 1 – Proceed with Build

Description	Build two studios that compliment the existing building structure using a team of dedicated professionals. The team will be sensitive to the project's aims and objectives and will make a significant contribution to the design of the building through their understanding of the services that will run, the community's needs, their preferences, priorities and habits. The team will secure a better and more sustainable design and foster a sense of civic pride and a sense of identity for the participants and for the community as a whole.
In Scope	<p>The chosen contractor/s will deliver all works associated with the creation of two additional studio spaces at 2RM based on the revised 'Option 4' location as shown on Architectural dwg.005 Rev A 'Option 4: Extension' as provided by BCP Council.</p> <p>Enabling works</p> <ul style="list-style-type: none"> <li>• Mechanical works (heating, ventilation, domestic water and drainage)</li> <li>• Electrical works (lighting, small power and data, fire and security, distribution, containment and mains power, sound system / PA works, Power Supplies for Mechanical Plant)</li> <li>• Builders works</li> </ul> <p>Budget Considerations</p> <ul style="list-style-type: none"> <li>• Areas of the business that will be positively impacted by generation of increased revenue i.e secondary income from vending</li> </ul> <p>Consideration of the following additional factors:</p>

	<ul style="list-style-type: none"> <li>• Can the internal and external spaces be used in a number of ways for different user groups and needs?</li> <li>• Can the spaces be changed temporarily (e.g. with movable walls)?</li> <li>• Is there potential to change spaces/uses quite easily in the future?</li> <li>• Has the refurbishment made it possible to support a broader spectrum of user groups?</li> <li>• Can people enter and move around easily?</li> <li>• Are there any physical barriers to those with mobility limitations, with physical or learning differences, with buggies and small children?</li> <li>• Has the refurbishment made it possible for people who had not previously been able to access the building to use it?</li> <li>• Is the building easy to manage?</li> <li>• Is there adequate storage?</li> <li>• Is the internal climate easily controlled and changed?</li> <li>• Is the building easy to maintain e.g. easy to clean, handling daily wear and tear.</li> </ul>
Out of Scope	<ul style="list-style-type: none"> <li>• Current business operations / existing services which will not be impacted by the build.</li> <li>• Additional fitness equipment that may be required to furnish the studios.</li> </ul>
Deliverables	<ul style="list-style-type: none"> <li>• As stated above in 'scope'.</li> </ul>
Benefits	<ul style="list-style-type: none"> <li>• <b>The investment will generate c40% (£49k) additional net revenue</b> per annum therefore improving the net financial position of the service meeting the objectives set out in the MTFP. The multi-use studios will provide increased financial value by accommodating additional commercial services including group exercise, martial arts, dance, gymnastics, birthday parties and professional meeting/education space.</li> <li>• <b>This investment will free up valuable sports hall and squash court hire availability</b> enabling the service to meet increased local demand and increase revenue in these spaces.</li> <li>• The new facilities will meet the needs of the wider community by <b>providing affordable accessible space</b> to cater for sessions but not limited to, such as culture focused arts/dance, weight management, mental health/addiction support and recovery, age concern, sensory, SEND, children's services-short breaks, adult skills and learning and LiveWell Dorset health clinics.</li> <li>• <b>The existing GP Referral service will be enhanced</b> with additional provision of the cardiac rehabilitation, cancer recovery, chronic back pain, menopause, arthritis/diabetes management, COPD rehabilitation and depression/anxiety support classes. The provision of these services inevitably removes a great deal of pressure from the NHS.</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Increased footfall:</b> The services will cater for all demographics and the estimated annual footfall will increase from 600,000 to 900,000 per annum.</li> <li>• Social value measures the positive value businesses create for the economy, communities, and society. The total social value for 2RM for 23/24 was £1,029,161. This represents the total monetary social value generated by 2RM over the last 12 months. The increase in services and accessibility will certainly <b>generate a far higher social value</b> should it proceed.</li> <li>• No detrimental effect on current operations is anticipated.</li> </ul>
Disbenefits	<ul style="list-style-type: none"> <li>• Obligated to loan repayments</li> </ul>
Risks / Issues	<p>Whilst feasibility studies indicate low risk of build, the pre-planning application will include:</p> <ul style="list-style-type: none"> <li>• A Biodiversity Survey on existing biodiversity interest and possible impacts. This information might form part of an Environmental Statement, where one is necessary.</li> <li>• Risk Assessment which identifies opportunities to reduce the probability and consequences of flooding. For applications located in Flood Zone 2 and 3 the sequential test should be applied.</li> </ul> <p>Mobilisation Risks:</p> <ul style="list-style-type: none"> <li>• A total of 41 build related risks are detailed and mitigated in the feasibility report provided.</li> </ul>
Resources	<ul style="list-style-type: none"> <li>• Free consultation with Les Mills a global leader in group fitness and creator of over 25 programs available in leading fitness facilities around the world (part of benefits package with existing partner)</li> <li>• Architect / Project Manager from within BCP (1 month)</li> <li>• Project Manager for duration of project</li> <li>• Procurement Team for completion of PDRs for various elements of project (1 month)</li> <li>• 2RM Business Development Team Leader for guidance on services to be delivered (3 months)</li> <li>• 2RM Senior Duty Officer (Operations) for consultation on best practice with regards to operations of the facility.</li> <li>• 2RM Senior Duty Officer (Customer Experience) for consultation on configuration of CRM tool and maximisation of customer enjoyment of facility.</li> <li>• 2RM Admin team, to ensure facility bookings are secured prior to build completion to maximise revenue as soon as possible</li> <li>• Marketing Team to promote new facility to the community.</li> </ul>

	<ul style="list-style-type: none"> <li>Leisure Partnership Officer, to ensure increase in social value is quantified and reported.</li> <li>Senior Leisure Development Officer, to assist on project delivery and promote the facility to community sports clubs and groups.</li> </ul>																																													
Duration	18 months																																													
Summary Costs	<table border="1"> <thead> <tr> <th colspan="2"><b>Key Financials - over 20 years</b></th> <th>£k</th> </tr> </thead> <tbody> <tr> <td><b>Capital Outlay</b></td> <td></td> <td><b>1,778.9</b></td> </tr> <tr> <td colspan="2"><b>Financial Viability</b></td> <td>£k</td> </tr> <tr> <td>Net rental income over 20 years</td> <td></td> <td>(6,641.4)</td> </tr> <tr> <td>Net operational expenses over 20 years</td> <td></td> <td>252.5</td> </tr> <tr> <td>Borrowing Requirement (repaid over asset useful life)</td> <td></td> <td>1,778.9</td> </tr> <tr> <td>Interest cost of borrowing (@ 5.5% over 20 years)</td> <td></td> <td>2,134.7</td> </tr> <tr> <td><b>Net 20 year surplus</b></td> <td></td> <td><b>(2,475.4)</b></td> </tr> <tr> <td colspan="2"><b>Projected Cashflow Summary</b></td> <td>£k</td> </tr> <tr> <td>Net surplus over 3 year MTFP (2022/23 to 2024/25)</td> <td></td> <td>(171.8)</td> </tr> <tr> <td>Net surplus years 4 - 10 (2025/26 to 2032/33)</td> <td></td> <td>(628.4)</td> </tr> <tr> <td>Net cost to BCP for years 11 - 20 (2034/35 to 2043/44)</td> <td></td> <td>(1,675.1)</td> </tr> <tr> <td><b>Net 20 year surplus (including Risk Premium)</b></td> <td></td> <td><b>(2,475.4)</b></td> </tr> <tr> <td>Risk Premium (difference between Invest to Save rate 5.5% and PWLB)</td> <td></td> <td>699.7</td> </tr> <tr> <td><b>Net 20 year surplus - without additional Invest to Save risk</b></td> <td></td> <td><b>(3,175.1)</b></td> </tr> </tbody> </table>	<b>Key Financials - over 20 years</b>		£k	<b>Capital Outlay</b>		<b>1,778.9</b>	<b>Financial Viability</b>		£k	Net rental income over 20 years		(6,641.4)	Net operational expenses over 20 years		252.5	Borrowing Requirement (repaid over asset useful life)		1,778.9	Interest cost of borrowing (@ 5.5% over 20 years)		2,134.7	<b>Net 20 year surplus</b>		<b>(2,475.4)</b>	<b>Projected Cashflow Summary</b>		£k	Net surplus over 3 year MTFP (2022/23 to 2024/25)		(171.8)	Net surplus years 4 - 10 (2025/26 to 2032/33)		(628.4)	Net cost to BCP for years 11 - 20 (2034/35 to 2043/44)		(1,675.1)	<b>Net 20 year surplus (including Risk Premium)</b>		<b>(2,475.4)</b>	Risk Premium (difference between Invest to Save rate 5.5% and PWLB)		699.7	<b>Net 20 year surplus - without additional Invest to Save risk</b>		<b>(3,175.1)</b>
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## Project Governance Structure

Project Board	☒
Steering Group	☒

## Financial Analysis - Indicative

	Description	2024/25	2025/26	2026/27	Total Capital Outlay over 20 years
		£000s	£000s	£000s	
Equipment	Features and Fittings	3,270	26,160	3,270	32,700
Staff	Project Management Fees	43,600	5,450	5,450	54,500
Construction Costs	Includes electrical services eg lighting, heating, air con and spund system. Includes demolition, alterations, foundations including excavations, frame and upper floors, roof, external walls, external doors and windows, internal walls, internal doors, wall finishes, floor finishes, ceiling finishes, mechanical works, electrical works, drainage and external works.	508,859	636,073	127,215	1,272,147
Fees	Allowance for fees (12%)	62,166	77,707	15,541	155,414
Consultancy Costs	Consultancy costs (7%)	53,430	35,620		89,051
<b>Sub-total</b>		<b>671,325</b>	<b>781,011</b>	<b>151,476</b>	<b>1,603,812</b>
Contingency @ 10%		52,520	61,273	61,273	175,066
<b>Build Total</b>		<b>723,845</b>	<b>842,284</b>	<b>212,749</b>	<b>1,778,878</b>

## Recommendation

It is a recommendation to proceed with option 2, the build of two new studios.

## Funding Source

Wherever possible, funding will be sourced from Strategic CIL. Thereafter, any shortfall will be acquired via Prudential borrowing.

## Ongoing Impact

No detrimental impact to current operations is anticipated.

## Milestones

Milestones	Month / Year	
Key Milestones	Start Date	End Date
House sparrows - nesting period - no site clearance	Apr-25	Aug-25
Funding request	Aug-25	Sep-25
Procurement - to appoint consultants	Oct-25	Oct-25
Appoint consultant	Nov-25	Nov-25
Design Process	Dec-25	Jan-26
Planning submission	Feb-26	Apr-26
Carry out reports and surveys	Mar-26	Apr-26
Production of building regulation and tender package	Apr-26	May-26
Building regulations approval	Jun-26	Jun-26
Procurement - tender process for main Contractor	Jun-26	Jul-26
Appoint Building Contractor	Aug-26	Aug-26
Mobilization	Sep-26	Sep-26
Site clearance	Sep-26	Sep-26
Building works on site - approx 6 months	Oct-26	Mar-27
Snagging and Practical completion	Apr-27	Apr-27

## Approval Process

1.	Capital Briefing Board
2.	Pre-planning Application
3.	Overview and Scrutiny Board
4.	Cabinet Approval
5.	Planning Permission

## Supporting Documentation

- Financial Business Case, created with assistance from Madeleine Horne and Acquilia Mudzingwa.
- M&E Feasibility and Budgeting Cost Report Prepared by Worldwide Limited
- Built Facilities Review
- Strategic Leisure Review

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Report subject	<b>Two Riversmeet Studios</b>
Meeting date	14 January 2026
Status	Public Report
Executive summary	The report details the feasibility and financial considerations for capital borrowing to fund a two-storey extension to Two Riversmeet Leisure Centre (2RM) to address the identified need for dedicated studio space in Christchurch. The investment aims to enhance the centres health and fitness offer, increase membership and income whilst supporting community wellbeing and aligning with the Councils corporate strategy.
Recommendations	<p><b>It is RECOMMENDED that Cabinet recommends to Council to:</b></p> <ul style="list-style-type: none"> <li><b>a. Agree to option 2 approving the building of a two-storey facility extension at Two Riversmeet Leisure Centre (2RM) creating two brand new multi-use studios costing £1.8m, subject to planning permission.</b></li> <li><b>b. Notes the detail in the financial and legal implications.</b></li> <li><b>c. Delegates to the Director of Commercial Operations in consultation with the Portfolio Holder for Destination, Leisure and Commercial Operations, the implementation of this decision.</b></li> </ul> <p><b>It is RECOMMENDED that Audit and Governance Committee recommend to Council:</b></p> <ul style="list-style-type: none"> <li><b>d. Approval of an increase in the authorised borrowing limit of the Council to accommodate the £1.8m financing for the extension at Two Riversmeet Leisure Centre proposal.</b></li> </ul>
Reason for recommendations	Enhancing 2RM Leisure Centre with dedicated studio space will allow for the centre under BCP Leisure to grow and develop enhancing the financial position by giving a fresh dedicated offer within Christchurch. The project aligns with the corporate strategy ensuring people can be active and healthy maximising opportunities for our communities.

Portfolio Holder(s):	Councillor Richard Herrett – Portfolio Holder for Destination, Leisure & Commercial Operations
Corporate Director	Glynn Barton – Chief Operations Officer
Report Authors	Amanda Barrie – Director of Commercial Operations Helen Wildman – Head of Leisure & Events Tom Powell – Leisure, Development & Partnership Manager
Wards	Christchurch Town
Classification	For Decision

## Background

1. Two Riversmeet Leisure Centre (2RM) is one of ten BCP Council owned leisure centres and the only one located in Christchurch. Five of these are currently being operated in house as BCP Leisure.
2. 2RM is a multi-regional and national award-winning facility which is performing in the higher quartile against national competitors.
3. 2RM currently has no purpose-built studio facilities, which means the existing exercise class provision is restricted to using the sports hall and squash courts.
4. The Built Facilities review undertaken in 2022 was commissioned to identify needs, gaps and opportunities for sports provision across the BCP Council conurbation in order to inform the local plan. This identified 2RM as a key strategic leisure asset and that Christchurch required additional studio provision to meet the needs of residents.
5. An independent strategic leisure review was undertaken on 2RM in 2022 and identified the need for a dedicated studio noting the highest priority is to enhance the health and fitness offer. This is the main income generator and there is latent demand for improved facilities.
6. Sport England's Active Lives survey shows a significant uptake in exercise classes, with a 1.6% increase in participation year-on-year, confirming strong demand for studio-based activities (EMD UK, 2025).
7. A wider piece of work is currently underway with a Leisure Centre transformation across all of the 5 internally run leisure sites to be presented to Cabinet later in 2026 in a future paper considering key investment.

## Options Appraisal

### Option 1 – Do nothing

8. The option of do nothing will continue to run services at 2RM Leisure Centre through a mix of sports hall use and classes within the one area.

9. Whilst this still provides an acceptable offer for the leisure centre, it does not enable growth of membership or ability to utilise the service to aid retention and develop an inclusive timetable offer for the community.
10. The do nothing option does not promote active living or access to leisure.
11. Financially, the do nothing option does not allow for additional income to support the MTFP and has the potential to increase the financial pressure due to reduced members retention.
12. Significant resource would be required to develop strategies to match the potential income generation the new studio spaces would help deliver therefore the do nothing option has been discounted.

## Option 2 – Take forward business case with £1.8m capital borrowing

13. The image below shows the proposed location for the two storey studios which would each measure 150m<sup>2</sup> and allow for between 30-40 capacity within a class for each of the two studios.

### Image 1

2 Riversmeet Leisure Centre – Location Plan  
Proposed extension for 2 studios.



14. The current class timetable and function hire is unable to be developed due to limited space within the current centre footprint. Whilst the existing sports hall offers the ability for classes, it prevents multiple use and a more diverse timetable to support wider community use and different fitness styles. Parties and private hire have the potential for expansion should there be more space to do so.
15. Dedicated studio space will provide members with a purpose-built environment for classes and support where we have introduced programmes such as Les Mills in the correct setting.
16. Group Exercise is one of the vital elements to a leisure membership and the quality of the timetable has an impact on retention of members. Ensuring 2RM has the space and ability to offer a wide variety of classes and timetables will assist in keeping retention high and therefore grow the service.
17. Income linked to the investment has been calculated on uplifts in membership and casual pay as you go class bookings alongside external facility hire, increased sports hall usage, holiday clubs and secondary income.

18. An 18% uplift in membership sales has been used in the calculations. UK Active 2025 reports an average annual membership growth of 6.1% across the sector without investment and therefore a realistic target with increased capacity and investment within the centre.
19. The financial assessment can be found in appendix 1 and details inclusion of a sinking fund to ensure any investment does not then put pressure on the MTFP further down the line in terms of maintenance.
20. Preplanning advice has been undertaken to inform a future planning application.
21. The proposed timeline, subject to planning permission, would be to begin construction from September 2026 aiming for a practical completion of July 2027.

### **Summary of financial implications**

22. The financial appraisal assumes £255,000 additional income per annum which assuming an annual 2% inflationary price increase will result in a total additional income of £6.3 million over 20 years.
23. Additional operating costs and major repairs are calculated to be in the region of £47,000 per annum, also using 2% inflationary increase totalling £1.16 million over the 20 year life of this project
24. The borrowing costs calculated using 5.5% BCP low risk interest rate will be £186,782 per annum, a total of £3.7 million over 20 years.
25. The net surplus over the 20 year period is estimated to be £1.4 million or an average of £30,000 per annum in the first 3 years of opening increasing to £46,000 per annum with inflationary price increases.

### **Risks**

26. The additional activity may not be as high as estimated, the model shows an annual initial surplus of £30,000 per annum therefore there is a tolerance level of nearly 12% on the assumed £255,000 income per annum before the scheme runs into deficit. Over the lifetime of the scheme, the tolerance level increases to 22% due to inflationary increases affecting income and expenditure, but fixed borrowing costs.
27. Further tolerance level within the council budgets overall, may be provided by any additional car parking income.
28. Interest rates variability may increase the cost of borrowing, the prevailing PWLB rate of 11 December 2025 is 5.88%, this would increase the cost of borrowing by £7,000 per annum reducing the initial annual average surplus to £23,000 per annum.

### **VAT Implications**

29. Following the 2023 change in the VAT legislation, sports and leisure services provided by local authorities are no longer treated as exempt activities. Instead, they are classified as statutory non-business services. This means that the partial exemption no longer applies when investing into leisure centres. Additionally, 2RM Leisure Centre is opted to tax which means that any hire income not directly relating to sporting activities is subject to VAT at standard rate.
30. Based on the type of projected income streams following the completion of the new extension, none of the activities would be treated as exempt for VAT purposes. As a

result, all VAT incurred on the capital project will be fully reclaimable (subject to normal VAT rules, e.g. procurement by BCP and invoice addressed to the Council).

31. The table below details the overview of the capital investment and income generation

**Table 1**

<b>Key Financial data - over 20 years</b>	
	<b>£000</b>
<b>Capital Outlay</b>	<b>1,779</b>
<b>Financial Viability</b>	
New income over 20 years	(6,320)
New operational expenses over 20 years	917
Sinking fund for major repairs	248
Borrowing Requirement (repaid over 20 years asset useful life)	1,779
Interest on prudential borrowing (@ 5.5% over 20 years)	1,957
<b>Net 20 year surplus</b>	<b>(1,419)</b>
<b>Projected Cashflow Summary</b>	
Cumulative surplus over 3 year MTFP (2026/27 to 2028/29)	(89)
Cumulative surplus years 4 - 20 (2026/27 to 2041/42)	(1,330)
<b>Net 20 year surplus (including Risk Premium)</b>	<b>(1,419)</b>
Average surplus per annum - first 3 years (5.5% low risk interest rate)	(30)
Average surplus per annum - first 10 years (5.5% low risk interest rate)	(46)
Average surplus per annum - first 3 years (5.58% prevailing interest rate 11/12/25)	(23)
Average surplus per annum - first 10 years (5.58% prevailing interest rate 11/12/25)	(39)

### Summary of legal implications

32. It remains necessary to comply with all relevant procurement requirements, including BCP Council's Financial Regulations and the Public Contracts Regulations 2015 and the Procurement Act 2023 (where applicable) for any other aspects of the works that are to be carried out by third parties under contract and purchase of equipment and/or materials.
33. In addition, it is necessary to comply with all requirements in respect of subsidy control, planning, Community Infrastructure Levy (CIL), any leases, property, Land Registry, land ownership, any contracts, funding conditions, funding applications, borrowing, capital borrowing, BCP Council's Constitution (including the Financial Regulations), [requirements of full Council], where applicable.

### Summary of human resources implications

34. The staffing structure in terms of building management is already in place within the Leisure Centre and therefore will not require dedicated staff in addition to the duty management of the site.
35. Staffing requirements for classes are on a timetable basis with a mixture of casual and contracted staff undertaking these.

### **Summary of sustainability impact**

36. The planning application will consider biodiversity, and the proposed timeline takes into account environmental factors such as nesting season between March and August.
37. During the construction phase best practice measures will be incorporated to sort and reuse materials generated by the demolition of the existing buildings/hardstanding etc, and where practicable new materials will be sourced locally.
38. The building will seek an improvement in the Fabric Energy Efficiency Standard over and above current Building Regulations. This measure will achieve a permanent improvement in Energy efficiency way beyond the life of any renewable energy source.
39. Overall, with the considered approach by the design team and client, the proposals will meet the requirements of Sustainability, as required and in accordance with paragraph 39 of the council's Local List of Requirements for planning applications.

### **Summary of public health implications**

40. Taking forward option 2 will provide the opportunities for increased fitness and activity amongst residents and allow for development of class timetables to support a wide variety of classes for different abilities better delivering for community needs.
41. A wider choice and ability for specialist programmes will support the growth of the GP referral scheme and the transition of members from the referral into membership.

### **Summary of equality implications**

42. An EIA conversation has been undertaken and reviewed by the Equality team.
43. Additional timetabling will allow greater consideration for the physical health, mental health, rehabilitation, early intervention, child and adult education, special educational needs, accessible needs, inclusivity and culture focused services.

## Summary of risk assessment

<b>Risk</b>	<b>Level</b>	<b>Mitigation</b>
Financial – overspend or not meeting income targets	Medium	Project board to monitor financial reporting throughout work including the pre work on sales and marketing plan
Reputational – planning permission	Low	Pre-planning advice has been sort and recommendations taken forward ahead of planning application
Compliance	Low	A detailed project plan and project board will have governance and oversight on project to ensure compliance

## Background papers

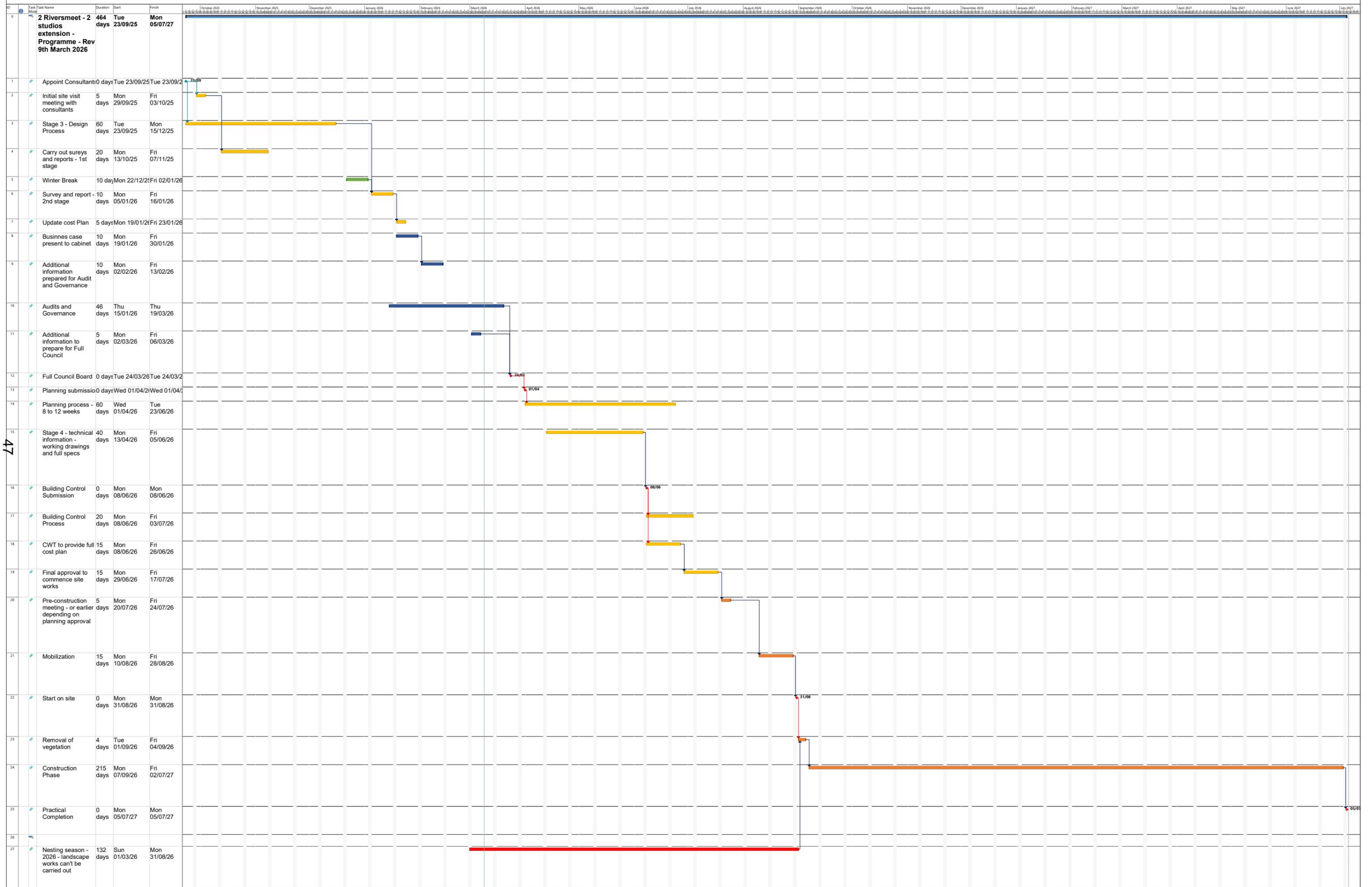
Built Facilities Assessment

## Appendices

Appendix 1 – Financial assessment

Appendix 2 – Feasibility report (exempt)

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2RM Studios - Benefits realisation register

Benefit	Type	Description	KPIs / Measures	Timing	RAG Status	Target KPI	Actual KPI	Variance	Owner
Increased membership income	Cashable	New studios increase centre capacity by c.16% (approx. 40,000 visit uplift).	Annual rolling membership levels and retention rates	Year 1 onwards		1,770		-1770	Head of Leisure & Events
Increased secondary income	Cashable	Additional studio spaces expand facility hire, pay-as-you-go, parties and ancillary spend.	Facility hire revenue; PAYG income; café/vending uplift	Year 1 onwards		£3,149,223		-£3,149,223	Leisure Development & Partnership Manager
Long-term surplus contribution	Cashable	Up to £1.4m surplus over 20 years.	Annual financial contribution vs. MTFP	Years 1-20		£1,400,000		-£1,400,000	Director of Commercial Operations
Avoided loss from doing nothing	Avoided cost	Prevents decline in membership and uncompetitive positioning.	Membership trajectory without investment	Immediate/ongoing				0	Director of Commercial Operations
Improved health & wellbeing outcomes	Non-cashable	Increased activity opportunities, especially for older adults and underserved groups.	% increase of participation rates across underserved groups	Year 1 onwards		10%		-0.1	Fitness Manager
Improved health & wellbeing outcomes	Non-cashable	Increased activity opportunities for GP referral transferrees	% increase in GP referral transition rates	Year 1 onwards		10%		-0.1	Fitness Manager
Improved health & wellbeing outcomes	Non-cashable	Increase in social value	% Increase in social value form Moving Communities	Year 1 onwards		15%		-0.15	Leisure Development & Partnership Manager
Enhanced community cultural offer	Non-cashable	Studios support dance, drama and cultural programmes.	Annual number of cultural sessions; participant feedback	Year 1 onwards		1,000		-1000	Leisure Development & Partnership Manager
Improved customer experience	Non-cashable	Modern, high-quality studio environment meets market expectations.	Customer satisfaction surveys, retention rates	Post-opening		90% retention		#VALUE!	Leisure Development and Partnership Manager
Stronger leisure portfolio	Non-cashable	Supports consistency across BCP-run leisure centres; positions 2RM competitively.	Net Promoter Score (NPS)	Ongoing		40		-40	Head of Leisure & Events
Sustainability gains	Non-cashable	Integration with BMS reduces inefficiencies and optimises energy use.	Energy consumption; BMS performance reports	Ongoing		TBC		#VALUE!	Facilities Management

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